



Poland Daily

HEADLINES:

POL: In July 2020 surplus on the current account was equal to EUR1620mn versus a surplus of EUR2842mn in June 2020. Trade surplus was equal to EUR998mn (exports rose by 2.7% y/y while imports fell by 3.9% y/y). In July surplus in the services' account amounted to EUR2.0bn while primary income account was equal to -EUR1.6bn.

POL: At MPC policy meeting today we expect the MPC to keep interest rates unchanged. Market participants will focus on communique after the meeting in particular on any hints on how long the central bank will be willing to keep nominal interest rates close to zero.

THE DAY AHEAD...

POL: MPC decision

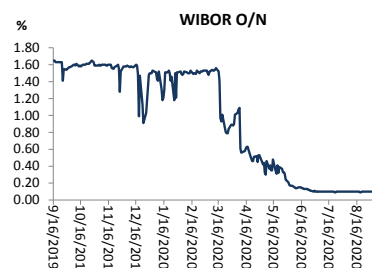
USA: Industrial production (Aug)

DEU: ZEW expectations index (Sep)

TODAY'S FOCUS:

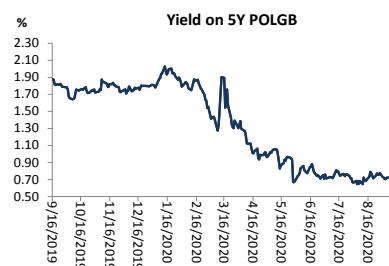
Today economic calendar contains MPC policy meeting, Poland's CPI for August, ZEW expectations index from Germany and industrial production for August from the US.

Figure 1: WIBOR O/N



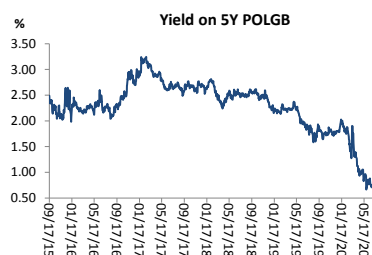
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

Figure 3: Yield on 5Y POLGB – long term trend



Source: Bloomberg

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
POL	8:00	Inflation (Aug)	-0.1% (2.9%)	-0.1% (2.9%)	-0.1% (2.9%)
POL		MPC decision	0.1%		0.1%
DEU	9:00	ZEW expectations (Sep)			69.5
USA	13:15	Industrial production (Aug)	1.2%		1.0%



Foreign Exchange

Today in the morning the zloty firmed by 0.2% versus the USD and was unchanged versus the EUR compared to the previous NBP fixing. Today the zloty should be moving within a range of PLN4.4350-4.4600 per EUR.

The USD weakened by 0.2% versus the EUR as better than expected retail sales and industrial production data from China increased risk appetites.

Fixed Income

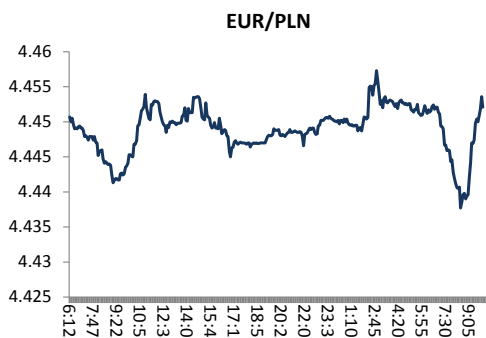
The yields on Poland's government bonds were 1bp up in 10Y sector.

Interest Rates

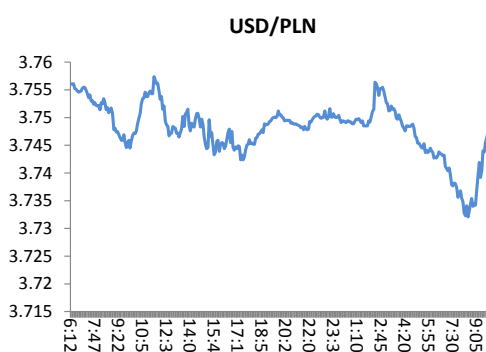
Today the O/N bid rate should be within a range of 0.00%-0.05%. Swap rates were 1-2bps up in 5-year and 10-year sectors.

Equities

Yesterday the Dow Jones index closed 1.18% up and the S&P 500 index rose by 1.27%. Today in the morning the FTSE 100 index was 0.25% up, the CAC 40 index was 0.20% down and the DAX index was 0.27% down. The Nikkei index decreased by 0.44%. Today in the morning the WIG index was 0.38% down and the WIG20 index was 0.58% down.



Source: Bloomberg

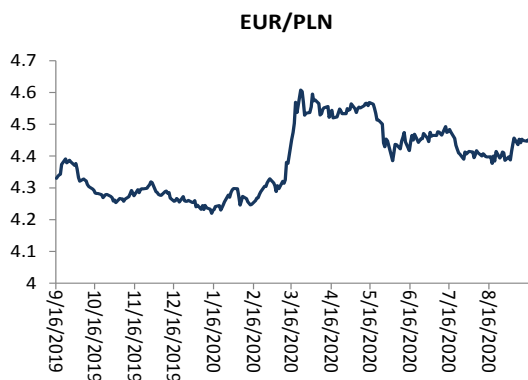


Source: Bloomberg

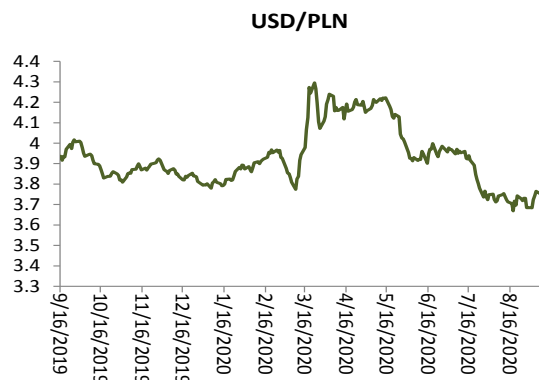


Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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